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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

Bcc: Mary Ann
Pam
Susan
Bond file

March 24, 2000

CERTIFIED MAIL

P 074 978 547

E.M. Gerick, V.P. of Operations
Western States Minerals Corporation
250 South Rock blvd, Suite 130
Reno, Nevada 89502

Re: Final Bond Release, Western States Minerals Corporation, J.B. King Mine,
ACT/015/002, Outgoing File

Dear Mr. Gerick:

The Utah Division of Oil, Gas, and Mining has found that Western States Minerals Corporation has met the requirements for final bond release (surety bond #104570 issued by Seaboard Surety Company in the amount of \$126,078). All of the work outlined in the letter dated February 29, 2000 (enclosed) was completed on March 23, 2000 and approved by the Division inspector for this site, Susan White (site inspection enclosed.)

Achieving final bond release under the Utah Coal Regulatory Program is a significant achievement. Western States Mineral Corporation is to be commended for their reclamation efforts.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Lowell'.

Lowell P. Braxton
Director

sm

Enclosures

cc: Al Cerny, Western States Minerals Corporation
Emery County Planning (Certified Return Receipt) w/o
Seaboard Surety Company w/o
Tom Faddies, SITLA
Jim Fulton, OSM

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P 074 978 547

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to E.M. Gerick	
Street and No. 250 S. Rock Blvd. STE 130	
P.O., State and ZIP Code Reno, NV 89502	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

DIVISION OF
OIL, GAS AND MININGDOGM, Sheila M. 3-24-00 SB King Bend
MAR 28 2000SM DOGM 3/24/00 ACT/015/002
PS Form 3800, April 1995

Z 230 748 178

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to SEABORD SURETY CO	
Street & Number PO BOX 751	
Post Office, State, & ZIP Code BEDMINSTER NJ 07921	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

SM DOGM 3/24/00 ACT/015/002
PS Form 3800, April 1995

Z 230 748 179

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to BRYANT ANDERSON	
Street & Number PO BOX 417	
Post Office, State, & ZIP Code CASTLE DALE UT 84741	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	



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DIVISION OF OIL GAS & MINING FIELD VISIT FORM TECHNICAL

Date : March 21 to 23, 2000

Time: All Day

DOGM Staff: Susan White

Other Attendees: Chuck Cundick, Stewart Collins, and Buzz Garick (Western States Minerals, Corp.)

Purpose: Phase II and III Bond Release, Confirmation of Work Completed / Division Requirements Met, Western States Minerals, Corp., J.B.King Mine, ACT/015/002-BR99B, Internal File

Summary:

Phase II and III Bond Release was approved and conditioned in a letter to Western States Mineral Corporation February 29, 2000. The conditions were:

1. Remove the north perimeter ditch, and seed and mulch the ditch area.
2. Remove the miscellaneous trash and scrap metal on site.
3. Remove silt fences on site.
4. Remove the perimeter fence.
5. Remove the sign.

The site visit was to confirm the removal of the above items.

Observations:

The following work was completed:

1. The north perimeter ditch was removed and the regraded area seeded.
2. Miscellaneous trash and scrap metal was removed.
3. Silt fences were removed.
4. The perimeter fence was removed.
5. The signs were removed.

Recommendations/Conclusions:

All conditions of the February 29, 2000 letter have been completed.

Signature: Susan M. White on March 27, 2000



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February 29, 2000

E.M. Gerick, V.P. of Operations
Western States Minerals Corporation
250 South Rock Blvd., Suite 130
Reno, Nevada 89502

Re: Phase II and Phase III (Final) Bond Release, Western States Minerals Corporation
(WSMC), J.B. King Mine, ACT/015/002, Outgoing File

B.M.

Dear Mr. Gerick:

On December 1, 1999, the final bond release inspection was conducted and documented. The Utah Division of Oil, Gas, and Mining has found, based upon inspection, analyses of the permit, the rules, and scientific data collected for Phase II and Phase III bond release, that WSMC has successfully completed coal mining and reclamation operations and has met or exceeded the minimum regulatory requirements for approving Phase II and Phase III bond release for the J.B. King Mine, Permit ACT/015/002. Findings made by the Division are in the attached Decision Document for Phase II and Phase III Bond Release for the J.B. King Mine, dated February 28, 2000.

Please be advised that simultaneous Phase II and Phase III release is the intent of the Bond Release Decision Document. However, according to the Division letter to WSMC dated November 12, 1999, it was requested that the north perimeter ditch and fence be removed prior to final Phase II approval. WSMC therefore must:

1. Remove the north perimeter ditch, and seed and mulch the ditch area.
2. Remove the miscellaneous trash and scrap metal on site.
3. Remove silt fences on site.
4. Remove the perimeter fence.
5. Remove the sign.

Upon the condition for Phase II being satisfied, Phase II and Phase III bond release will occur simultaneously. When WSMC is ready to perform this work, please notify Susan White, the inspector for this site, at (801) 538-5258 so she can be present during the work. When the Division has received assurance from the inspector that these items have been performed to the Division's satisfaction, the bond can be released to WSMC for the J.B. King mine site.

In summary, Phase II bond release is approved and conditioned. Phase III bond release is approved and will occur simultaneously with bond release for Phase II. WSMC is to be commended for their diligent and innovative reclamation efforts, their dedication and patience, and their coordination of reclamation efforts with the Division.

Sincerely,



Lowell P. Braxton
Director

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Enclosures

cc: David Terry, SITLA
Richard Manus, BLM (Price)
Bryant Anderson, Emery County Planning (Certified Return Receipt)
Z 230 748 175
Craig Carver
Al Cerny

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CC: James Fulton, OSM